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ment of the ethical and religious aspects of our economic life. Dr. Holland examines the statement that "personality requires private property for its full development" and observes that under individualism the personality of those without property must wither. Property is necessary to personality, but very generally the workers lack property. How escape from this dilemma? The way out of the difficulty is found in a reëxamination of personality, which is found to be social and collective; and collective or public property can afford a sphere for personality; and the individual as a property owner must act as an organ of society. But Dr. Holland concedes:

This ideal identification of individual and society is only possible if God be the one supreme authority over both, Himself the only absolute justification of all rights of ownership (p. 171).

The quotation from Dr. Gore which must close this review is as follows (pp. xvi-xvii):

What are we to say, then, about the still dominant individualism, the assertion of an almost unlimited right of acquiring, retaining, and perpetuating property, which breaks out against either any strongly urged moral claim for voluntarily giving better conditions to the poorer workers as an act of justice, or against any action of the State which tends in the direction of a more equitable distribution of the proceeds of industry?

We are bound to say that, looking at the matter philosophically, it has no validity. The particular laws which at any moment regulate the holding of property, or determine the burden which it is to bear for the public good, are laws of the State; it is the State which alone enables property to be gathered and held; and there is no legitimate claim which property can make against what appears to be the welfare of the State. It is hardly possible to state the principle too strongly. We are only saying the same thing in other words if we say that the tenure of property in any community must be judged by its tendency to promote what alone is the real end of civil society—that is, the best possible life for man in general and all men in particular. If it appears that the conditions of property-holding at any particular period sacrifice the many to the few, and tend to starve the vitality or destroy the hope or depress the efforts of masses of men and women, there is no legitimate claim that property can make against the alteration of conditions by gradual and peaceable means.

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*Principles of Economics.* By N. G. PIERSON. Volume II. Translated from the Dutch by A. A. WOTZEL. (London: Macmillan and Company. 1912. Pp. xxiii, 644. \$3.25.)

Those who have profited by a reading of volume I of Pierson's

*Principles of Economics* will welcome the English translation of the second volume, belated though it was because of the pressure of fiscal duties upon the translator and the destruction by fire of a large part of the manuscript of the first English translation. This volume resolves itself into the two fundamental and semi-independent subjects of "Production" and the "Revenues of the State." The position assigned to "Production" in the treatise and its identification by the author with fundamental problems of social and industrial reform make it, to use a rather loose analogy, the center of gravity not only of this volume, but of the author's entire economic discussion.

Of the two volumes this is the most interesting part. Here, much more directly than elsewhere, the author reveals himself as a neo-classicist. His viewpoint and assumptions are clearly those of that school. Within the present framework of society, which deserves only slight alteration, competition is to him an adequate force of social organization and economic distribution. Admitting more exceptions than the classicists, the author is favorable to the general principle of laissez-faire (p. 365). He is opposed, on the one hand, to attempts to hothouse industrial prosperity, *e.g.*, by protection; and, on the other, to changing radically the individualistic organization of industry, *e.g.*, through socialism. From the very first, Henry George (pp. 3-4) and the socialists (*passim*) are objective points of attack. His conception of society is static, and in spite of an occasional excursus into a question of industrial development leading to qualitative changes (pp. 67, 82, 368, 618), his thought runs in static terms. He goes beyond the classicists in considering questions concerning institutions, *e.g.*, private property and inheritance, rather than confining his attention to those converging in the market. But here the market process is usually his point of departure.

All of these questions he approaches from the utilitarian standpoint, but nowhere defines "public welfare" which is his ultimate criterion of justification. Nor does he attempt, in view of the infinite variety of produced goods and the impossibility of finding any other unit of measurement for them than the value unit and the fact that a change in economic arrangements would be followed as a necessary consequence by a change in the quantities, to say nothing of the qualities, of goods produced, to make a clear statement of what is meant by productive efficiency. In general, however, it is quite clear that his ultimate standard is a

class society, such as prevails at the present time (pp. 274-275). Like other contributions to economic theory, this work, while explicitly positive and expository, is implicitly ethical and argumentative. In brief, "Production" is the expression upon projects of reform of one whose viewpoint is that of the so-called "common-sense" man.

In view of these antecedents the author's thesis is definite and intelligible. It is that industrial peace and prosperity depend, not upon elaborate programs of social and industrial reform, but upon an increase in productive efficiency. As for distribution, "A plentiful production helps to bring about greater equality in terms of distribution" (p. 5). The key to his discussion is his close association, in spite of many admitted exceptions, of production and self-interest. The identification of individual reward and social service is put as strongly as it is capable of being put (pp. 40-47). Socialism, crises, and trade unionism are subordinated to the discussion of production and self-interest and made instruments in proving this larger thesis. Perhaps the case against the lack of appeal to self-interest in socialism is made better than anywhere else in economic literature. "Production" also contains vigorous and clear-cut arguments in favor of restricting population, against the granting of protective duties, and in favor of private property and inheritance, as means, directly to productive efficiency, and indirectly to equitable and economic distribution.

The discussion of the "Revenues of the State" proceeds from the same assumptions, and might almost be pronounced a part of the discussion of production. His concern with expenditure and taxation is not purely a fiscal one; to him, rather, problems of finance are problems in social economics. In connection with various fiscal proposals he reverts again to discussions of production. For instance, the question of customs duties becomes a question of free trade versus protection. Throughout, the question is always one of productive efficiency. While much of the matter is of universal interest, the larger questions are so intimately connected with practical politics and fiscal facts and proposals in the author's immediate environment that the abstraction of principles vital and interesting in view of the very different conditions in America becomes both difficult and irksome.

Aside from the general thesis of the book, and much more important to economists, are the discussions of problems, or aspects

of problems, which in isolation are extremely valuable. The book contains many clear, pointed, and vigorous expositions of common economic fallacies. Typical of these are the arguments that there can be no such thing as general overproduction (p. 11), that saving does not cut down the demand for goods (p. 12), and that paying foreigners for transportation does not discourage domestic industry (p. 214). It is quite unfortunate that these discussions, ranking with anything of their kind in economic literature, will be read almost exclusively by the class in society which needs them least. Quite as significant are discussions of vital but obscure aspects of public problems. Examples are: discussions of the difficulties of accumulating capital in the socialistic state (p. 90, *seq.*); of the problems to be solved in making a transition from capitalism to socialism (pp. 88-90); of the real meaning of the law of population (p. 124); and of the incompatibility between increasing population and the realization of the socialistic ideal (p. 141, *seq.*).

From minor inaccuracies and loose analysis the book is remarkably free. The author occasionally loses the question at issue, as when he devotes several pages (p. 114, *seq.*) to an attempt to discover the numerical rate of increase in population, although, as he would admit, exact rates of increase have nothing to do with the truth of the law of population. Occasionally his analyses lack thoroughness. In calling Henry George an advocate of land nationalization (p. 221 and elsewhere, p. 262), he makes no distinction between the single tax and land nationalization. In connection with his discussion of comparative costs, he uses language the implication of which is that labor is the only cost of production (p. 181). More serious is a pronouncement that the furnishing of immaterial goods is not productive (pp. 24-28). This failure to impute productivity to immaterial services reminds one of the very early classicists; and, like them, his illogical discussion is the result of a confused concept of production. Instinctively the word has for him its technological connotation, its pre-economic meaning. It is only when he makes a determined effort that he uses the word with a purely value connotation. But he does this enough to make his position illogical as well as irrelevant to the current economic situation. His static viewpoint causes him to discuss the manorial system in terms of current property arrangements (p. 230 *seq.*).

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